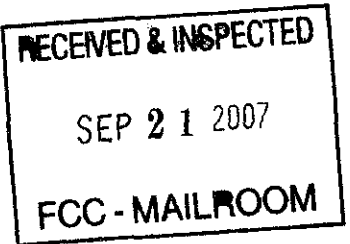




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September 17, 2007

Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

CC: 06-122

To Whom It May Concern:

This appeal is for the following identifier:

Filer 499 ID: 825634
Docket Number: 96-45

With this letter we are appealing to the FCC our rejection of an appeal directed to USAC on February 22, 2007 concerning our filing of the information on form 499Q and the assessment of any adjusted contribution.

Form 499A was filed by my business partner, Shane Flannery. When he filed this form he misunderstood the difference between the terms "intrastate" and "interstate" and entered a figure in the "interstate" column that was in error.

WestPA.net owns a fiber optic loop of about 53 miles that is used for local access only. This network does not cross the boundaries of Warren County, Pennsylvania. WestPA.net is paid for the use of this network by the Warren County School District. Our network is actually a private Wide Area Network that is used exclusively by WestPA.net for only wide area network services.

We receive no revenue from Interstate or International activity on this network.

Additionally our business partner mistakenly submitted that WestPA.net is a certain type telecommunications company, thus triggering the requirement that we file forms 499A and 499Q. WestPA.net is a small ISP in Warren, PA. We offer dialup Internet service; cable Internet service through a partnership with Youngsville Television Company and Wireless Internet service in the City of Warren. None of our services cross state lines; we have no customers outside the State of Pennsylvania and do not anticipate ever having customers outside the state.

As a result of the appeal denial WestPA.net will be required to pay invoices totaling \$4,164.84. It is agreed by USAC that this amount will ultimately be adjusted or credited back to us beginning in July 2008. The stated reason why we must pay is so USAC funding is not interrupted, however a refund of payment will surely interrupt the funding process in the next fiscal year. We have ascertained, and USAC rules agree that ultimately WestPA.net will owe nothing and not be assessed any additional charges unless our system design changes. We do not anticipate any Interstate revenue within the next several years, nor do we anticipate owing any contribution within that same timeframe. USAC pays no interest on monies kept for a year and the payment of these invoices will be an extreme hardship to our company. Warren County School district payments to WestPA.net just meet cost. We did not anticipate levies of several thousand dollars a year in order to provide this service.


216 Pennsylvania Ave. West, Warren PA 16365
877-726-9462

No. of Copies rec'd 041
List A B C D E

My voice and email contact information is below and the mailing address is at the bottom of this page:

Jerry Hill
814-726-9462
jerry.hill@corp.westpa.net

Best regards,



Jerry A. Hill
Treasurer
WestPAnet, Inc.



Administrator's Decision on Contributor Appeal

By Certified Mail

September 6, 2007

Jerry Hill
Treasurer
WestPA.net, Inc.
216 Pennsylvania Avenue, West
Warren, PA 16365

Re: WestPA.net, Inc. (499 Filer ID # 825634)
Letter of Appeal dated February 22, 2007

Dear Mr. Hill:

The Universal Service Administrative Company (USAC) has completed its evaluation of your letter of appeal submitted on behalf of WestPA.net, Inc. (WestPA.net) dated February 22, 2007 (Appeal). Your Appeal requests an adjustment to your universal service fund (USF) contribution, which you allege was based upon mistakenly reporting intrastate revenue as interstate revenue on WestPA.net's November 2006 FCC Form 499-Q (November Form 499-Q or November Worksheet). As discussed in more detail below, USAC hereby denies WestPA.net's Appeal.

Procedural Background

Federal Communications Commission (FCC) regulations require carriers, unless they meet the *de minimis* exemption¹ to submit an FCC Form 499-Q (Form 499-Q or Worksheet) reporting projected revenue for the upcoming quarter. USAC relies on revenue as reported in order to calculate a carrier's universal service obligation.²

The November Form 499-Q, which is the subject of WestPA.net's Appeal, had a due date of November 1, 2006. The revision window for quarterly Worksheets is 45-days.³ Thus,

¹ See 47 C.F.R. §§ 54.708.

² See 47 C.F.R. §§ 54.709 and 54.711.

³ See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format*, CC Docket Nos. 96-45, 98-171, 90-

the revision deadline for the November Worksheet was December 15, 2006. WestPA.net filed its original November Worksheet on November 6, 2006 and did not file a revised form in advance of the revision deadline. As a courtesy, USAC notified WestPA.net on November 17, 2006 of a significant increase in revenue reported on the November Worksheet. This information should have alerted WestPA.net that a review of its November 1 filing would have been prudent given there was sufficient time to revise the filing prior to the December 15 revision deadline.

WestPA.net states in its appeal that the preparer misunderstood the difference between “intrastate” and “interstate” and completed the “interstate” column in error. WestPA.net further states that its network is funded by the Warren County School District and does not cross Warren County, Pennsylvania boundaries.⁴ The FCC in prior decisions explained that the reporting entity has the responsibility for submitting its revenue information and certifying it is correct.⁵

The FCC recently explained that it established a 45-day revision window to give contributors an opportunity to revise their quarterly Worksheets while adequately maintaining appropriate USF funding in a given quarter.⁶ USAC does not have the authority to waive the FCC-established 45-day revision deadline. WestPA.net had opportunities to file revisions and can make adjustments as part of an annual reconciliation.⁷

On April 1, 2008, WestPA.net will be required to submit a 2008 499-A reporting 2007 revenue. The annual true-up process will compare WestPA.net’s reported actual 2007

571, 92-237, 99-200, 95-116, 98-170, Report and Order and Second Further Notice of Proposed Rulemaking, 17 FCC Rcd 24952, 24972, FCC 02-329 (2002) (*Interim Contribution Methodology Order*), ¶ 36; see also, Appendix C, p.82 (February 2003 FCC Form 499-Q Instructions).

⁴ See *WestPA.net Letter of Appeal*.

⁵ See *USF Reconciliation Process Order*, ¶ 9 (“We note that this form, like the FCC Form 499-A, requires an officer of the reporting entity to certify that the information contained therein is accurate and that the revenue projections represent a good-faith estimate.”); see also, *Interim Contribution Methodology Order*, ¶ 34 (“We also will require an executive officer to certify that the projections of gross-billed and collected revenue included in the FCC Form 499-Q represent a good-faith estimate based on company policies and procedures.”).

⁶ See *Federal-State Joint Board on Universal Service, Request for Review by: ABS-CBN Telecom North America, Incorporated of Decision of Universal Service Administrator; Southwest Communications, Inc. of Decision of Universal Service Administrator; and Trans National Communications International, Inc., Decision of Universal Service Administrator*, CC Docket Nos. 96-45, 2007 WL 784322, DA-07-1276 (2007) (*USF Reconciliation Process Order*), ¶ 2 (“Beginning in 2003, contributors have had the opportunity to correct their quarterly filings up to 45 days after the due date of each FCC Form 499-Q filing. In addition, all filers must submit an annual Telecommunications Reporting Worksheet (FCC Form 499-A), which contains the filer’s actual revenues from the previous calendar year. To the extent that contributors have under- or overestimated their revenue information and have paid too little or too much, the FCC Form 499-A is used to true-up universal service billings and payments.”).

⁷ See *Interim Contribution Methodology Order*, ¶ 36 (“Similar to existing policies, contributors will have an opportunity to correct their projections up to 45 days after the due date of each Form 499-Q filing and through the annual true-up process.”)

Jerry Hill
WestPA.net, Inc.
September 6, 2007
Page 3 of 3

revenue to projected revenue reported on the quarterly forms, including the revenue projected for first quarter of 2007, which was reported on the November Form 499-Q at issue in the appeal. Therefore, assuming, but not concluding, that WestPA.net's billings should be adjusted, WestPA.net's will receive adjustments or credits, as appropriate, on its invoices beginning in July 2008.

Please note, because WestPA.net states that it generates strictly intrastate revenue, it is not necessary for the company to file quarterly FCC Form 499-Qs. However, the company must continue to file annual FCC Form 499-As, which are due on April 1 each year. If the company should begin realizing interstate and/or international revenues, it may be required to file quarterly FCC Form 499-Qs. USAC urges the company to remain aware of the filing rules.

Decision on Appeal: Denied

USAC's review indicates because the January, February and March 2007 billings at issue in the appeal were based on revenue reported by WestPA.net on its November 2006 Form 499-Q, the invoices issued were correct. Accordingly, WestPA.net's appeal is denied.

If you wish to further appeal this decision, you may file an appeal with the FCC. Detailed instructions for filing appeals are available at:

<http://www.universalservice.org/fund-administration/contributors/file-appeal>

Sincerely,

USAC

Universal Service Administrative Company

cc: Regina Dorsey, FCC Office of Managing Director
Hillary DeNigro, FCC Enforcement Bureau
Trent Harkrader, FCC Enforcement Bureau